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Purpose:

- To establish guidelines and principles for our action regarding the sustainable development of our projects and operations, emphasizing our social, economic and environmental responsibility in the regions where we are present, in our value chain and in our positioning concerning global sustainability themes.

Application:

- This Policy is mandatory for Vale, its foundations, associations and institutions, as well as its subsidiaries in Brazil and overseas. Vale also encourages its adoption by entities in which Vale has an ownership interest.

References:

- POL-0001-G – Code of Ethical Conduct
- POL-0015 – Corporate Climate Change Guidelines

Commitments:

We reiterate our commitment with:

- ICM 10 Principles, Global Compact 10 Principles and Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria, Carbon Disclosure Project – CDP.
- Global Reporting Initiative Guidelines – G3 version

Definitions:

- **Sustainable development:** is a pattern of development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It is achieved through the balance of economic, social and environmental aspects.
- **Stakeholders:** a person, group or organization who affects or can be affected by an organization's actions. In our line of business, key stakeholders are in general: shareholders, employees, contractors, host communities, indigenous peoples, local, regional and national governments, public institutions, clients, suppliers, media, scientific community and organized civil society (NGO's) and society in general.
- **Direct Influence Area:** correspond to the areas, cities or regions where Vale's activities and operations are implemented, including mines, industrial plants, mills, maintenance installations and logistics.

Principles of the Sustainable Development Policy:

- The following principles must be followed:
 - **Mission:** Vale's Mission is "to transform mineral resources into prosperity and sustainable development".
 - **Sustainable Development:** For Vale, sustainable development is achieved when its activities, particularly its mining operations, add value to its shareholders and stakeholders whilst contributing to social strengthening, economic development of regional vocations and environmental conservation and restoration, through a conscious and responsible management approach, voluntary corporate actions and the establishment of partnerships with governments, public institutions, the private sector and civil society.
 - **Sustainability as a Legacy:** Vale's principle is to act with the objective of leaving a positive social, economic and environmental legacy in the areas where it operates, by encouraging social inclusion through work education and human development, economic growth and diversification accordingly to local vocations, strengthening of local institutions - supporting the responsible public institutions with the planning of appropriate urban infrastructure, whilst contributing to the conservation and restoration of the ecosystems, biodiversity and cultural heritage of the region. Mining is by nature a finite activity, limited to the life cycle of the mineral deposit. The sustainable legacy of our activities depends on the development of new economic vocations that may guarantee the perpetuity of the social wellbeing in balance with the environment conservation.

NOTE: specific normative documents concerning each theme covered by this policy must be aligned with the general principles of this document. This policy is suitable to form the basis for certification of each management system or the certification of an integrated management system, according to the needs of managers and global heads of each responsible area since it meets the policy requirements of the ISO 9001:2008 – Quality management system; ISO 14001:2004 – Environmental management system; OHSAS 18001:2007 – Occupational health and safety management systems; SA 8000:2008 – Social Accountability 8000 standards.

Dimensions of Action:

- The achievement of these principles shall be supported by three pillars of action: as a Sustainable Operator, as a Catalyst for Sustainable Local Development, and as a Global Sustainability Agent.

I. SUSTAINABLE OPERATOR:

- To work sustainably is to act in a conscientious and socio-economic and environmentally responsible manner throughout the complete life cycle of our activities – from conception, project implementation, operational cycle and commercialization until the closure phase. It is **V.A.L.U.E.** creation.
 - **V – Value added to stakeholders**

To generate optimum value for our shareholders, to maintain fair work relations and conditions for employees, to seek long term win-win partnerships with suppliers, to provide reliable superior minerals and value to customers, besides contributing to the prosperity of the communities, regions and countries where we operate, and maintain a permanent open and long term relationship and dialog with stakeholders.
 - **A – Anticipation and prevention**

To manage risks, failures and potential hazards in an anticipated manner, aiming to avoid environmental pollution, accidents, occupational risks concerning health and safety aspects and reduce negative social and environmental impacts. To apply in all capital investments and operations a risk, impact and opportunity analysis of social, economic and environmental aspects. To support and adopt technologies – at compatible costs – that maximize eco-efficiency, safety and the sustainability of production processes, commercialized products and transportation modals.
 - **L – Legislation as baseline: continuous improvement**

To act in compliance with applicable legislation and other corporate requirements as a baseline, seeking continuous improvement leading us, in every region we operate, to rise gradually above international performance standards of health & safety, work conditions, environmental management, work relations and respect to human rights.
 - **U – Uphold organization and discipline**

To work in an organized and disciplined manner, adopting rigorous practices of planning, implementing, monitoring and acting to correct possible imperfections and seeking the responsible and efficient use of natural resources. Through our product stewardship commitment, facilitate and encourage responsible use, re-use, recycling and disposal of our products and by-products, including, when possible, the encouragement of responsible design.
 - **E – Ethics and respect in businesses**

To implement and maintain ethical business practices in every country and region where we operate. To seek excellence in our corporate governance, operational processes, product quality and relationships with stakeholders. To promote and disseminate sustainable practices in our value chain. To adopt global sustainability standards and practices, while respecting the sovereignty and legislation of each country.

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II. LOCAL SUSTAINABLE DEVELOPMENT CATALYST

- **L.O.C.A.L.** development must be supported in our direct influence area. As the catalyst of local development we seek to go beyond the impact management of our operations and projects, contributing voluntarily – through partnerships with governments, other companies and civil society - to build a sustainable regional legacy.
 - **L – License to operate**
To seek prior acknowledgement, consultation and involvement, of local stakeholders before implementing new projects.
 - **O – Order for development**
To contribute to the development of plans and actions focused on sustainable development of the areas where we operate.
 - **C – Communication and engagement**
To maintain open, transparent, structured and long term communication and dialog with stakeholders, respecting the culture and diversity of the regions where Vale operates, considering their interests in the company's management decisions.
 - **A – Alliances with key stakeholders**
To establish alliances with key stakeholders of different sectors – public, private and civil society – to develop and implement integrated local development programs.
 - **L – Legacy for the region**
To work with other local stakeholders in order to build a positive legacy in the regions where we operate, seeking the maximization of the socio-economic development during the mining operational life cycle, contributing with the diversification of the local economy, with the social development and with the conservation and restoration of the environment.

III. GLOBAL SUSTAINABILITY AGENT

- The **G.L.O.B.A.L.** sustainability agent pillar is based on the acknowledgment, on one side, that certain global sustainability aspects may directly affect our businesses and, on the other side, that Vale – as one of the leading global companies in the mining sector – may contribute to the international promotion of sound sustainability practices.
 - **G – Guaranteed transparency**
To guarantee transparency with stakeholders throughout the world concerning our corporate governance and social, environmental and economic policies, proceedings, practices and performance.
 - **L – Leadership**
To seek leadership in the international mining and metals sector debate concerning sustainable development aspects directly related to our businesses and operations.
 - **O – Observation of trends**
To monitor and anticipate global sustainability trends.
 - **B – Best practices**
To adopt and help develop global sustainability best practices, contributing to their dissemination in the mining and metals sector.
 - **A – Act local, think global**
To maintain a global sustainability vision aligned with international performance standards and act locally to adapt these standards according to local customs and cultures.
 - **L – Legacy for future generations**
To work in partnership with other global stakeholders in order to build a positive legacy for future generations. To balance the social, economic and environmental aspects of our business to create long term value for shareholders, employees, communities, governments in countries where we operate.